

HAGER KENNETH V
Form 4
March 19, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HAGER KENNETH V

(Last) (First) (Middle)
333 WEST 11TH STREET
(Street)

KANSAS CITY, MO 64105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DST SYSTEMS INC [DST]

3. Date of Earliest Transaction (Month/Day/Year)
03/15/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
____ Officer (give title below) _____ Other (specify below)
VP, Controller & Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock					20,000	I	Irrevocable Trust
Common Stock					20,000	I	GRAT
Common Stock	03/15/2013		A	81 ⁽¹⁾	A \$ 0 138,354	D	
Common Stock	03/15/2013		A	3 ⁽²⁾	A \$ 0 138,357	D	
Common Stock	03/15/2013		F	110 ⁽³⁾	D \$ 70.78 138,247	D	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAGER KENNETH V 333 WEST 11TH STREET KANSAS CITY, MO 64105			VP, Controller & Treasurer	

Signatures

Randall D. Young for Kenneth V. Hager by power of attorney

03/19/2013

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The acquisition is of Restricted Stock Units (RSUs) granted automatically on March 15, 2013 (the payment date for a dividend on Issuer common stock). The new RSUs were granted as dividend equivalents (DE RSUs) pursuant to the terms and conditions of the applicable RSU award agreements. The Reporting Person received the DE RSUs in connection with the following previously reported RSUs that were invested on the February 19, 2013 dividend record date but vested on March 8, 2013 (prior to the dividend payment date): (i) performance-vesting RSUs granted February 23, 2010, February 24, 2011 and December 1, 2011; (ii) a 30% tranche of time-vesting RSUs granted February 24, 2011; and (iii) DE RSUs previously received in connection with such underlying RSUs. The DE RSUs reported in this row vested on the date they were issued (March 15, 2013). The vesting created taxable income subject to tax withholding in shares as described in note (3).

(2)

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On the dividend payment date, the Reporting Person received additional DE RSUs in connection with the unvested portion (50%) of previously reported time-vesting RSUs granted on February 24, 2011 (as well as on DE RSUs previously issued on such underlying RSUs). The new DE RSUs are subject to the same vesting terms and conditions as the underlying RSUs, as shown in a previous Section 16 filing.

The Compensation Committee of the Issuers Board of Directors allows the withholding of shares (Tax Withholding Transactions) to satisfy the Reporting Persons income tax obligation from an RSU vesting. The Committee pre-approves, at the time of grant, the

- (3) Reporting Persons Tax Withholding Transactions for RSUs. This form reports the number of shares retained for the Tax Withholding Transactions in connection with the DE RSU vesting described in note (1) and in connection with the March 15, 2013 vesting of certain other previously reported DE RSUs.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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